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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/010,102	11/08/2001	Sean J. Egan	200458-0002	5752

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DRINKER BIDDLE & REATH (DC)  
1500 K STREET, N.W.  
SUITE 1100  
WASHINGTON, DC 20005-1209

EXAMINER
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GREENE, DANIEL LAWSON

ART UNIT	PAPER NUMBER
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3694

NOTIFICATION DATE	DELIVERY MODE
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04/02/2010

ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

DBRIPDocket@dbr.com  
penelope.mongelluzzo@dbr.com

<b>Office Action Summary</b>	<b>Application No.</b> 10/010,102	<b>Applicant(s)</b> EGAN, SEAN J.	
	<b>Examiner</b> DANIEL L. GREENE JR.	<b>Art Unit</b> 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 11 December 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 7-11 and 23-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 7-11 and 23-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>1/7/10</u> . | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. Applicants 12/11/2009 response to the previous Office action mailed 9/16/2009 has been considered and entered. Claims 7-11 and 23-26 are pending and an action on the merits of these claims follows.

### ***Response to Arguments***

2. Applicant's arguments filed 12/11/2009, with regard to the rejection set forth in section 9 of said previous Office action has been fully considered and they are persuasive. Accordingly said rejections set forth in said section 9 is hereby withdrawn. However upon further consideration a new rejection is made in view of US Patent 6,336,106 to Baker (indicated on the IDS received 12/09/2008) as set forth more fully below.

3. Applicant's arguments set forth on pages 9-10 against the 35 USC 103 rejection set forth in section 10 of said previous Office action have been considered but they are NOT persuasive.

a. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). On pages 11-16 of the previous Office action, the Examiner provided definitions of terms that are considered

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old and well known in the financial industry. Applicant has not refuted the allegations of the Official Notice or the terms defined within said previous Office action.

b. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Without acquiescing to applicant's allegations of what APA does or does not disclose, attention is directed towards the definitions set forth in said previous Office action including expected value (page 13), expected rate of return (page 14), of accounting return (page 15), rate of return (page 17). The calculation of the expected rate of return clearly discloses calculating an expected range of returns. Accounting return calculates anticipated return over a time period. Rate of return teaches that a common stock rate of return is dependent on the dividend PLUS capital appreciation, wherein it is understood that the term "capital appreciation" connotes the claimed "adjustment factor".

c. Further resort may be had to the other references of record to show what one of ordinary skill in the art would be comprised of knowing.

*In re Dance* (CA FC) 48 USPQ2d 1635 (10/30/1998)

When the references are in the same field as that of the applicant's invention, knowledge thereof is presumed.

*In re Bozek*, 163 USPQ 545 (CCPA 1969)

Having established that this knowledge was in the art, the examiner could then properly rely, as put forth by the solicitor, on a conclusion of obviousness 'from

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common knowledge and common sense of the person of ordinary skill in the art without any specific hint or suggestion in a particular reference.

In re Fout, 213 USPQ 532 (CCPA 1982), In re Siebentritt, 152 USPQ 618 (CCPA 1967)

Express suggestion to substitute one equivalent technique for another need not be present to render such substitution obvious

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. **Claims 7-11 and 23-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 6,336,103 B1 to Baker in view of Kolb, "Options".**

**Regarding claim 7**, Baker discloses a method for predicting expected returns of a fund, comprising the steps of:

operating a computer to select a sector corresponding to the fund (See, Fig.1A.

item 21 and associated descriptive text),

operating the computer to identify financial futures corresponding to the sector fund (See, Fig.1A. item 21 and associated descriptive text),

operating the computer to calculate an expected return over a time period for the sector based on the financial futures corresponding to the sector,

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operating the computer to calculate an expected range of future returns for the sector based on prices of options for the futures in, for example, the Abstract, Figure 1, Col. 4. lines 42-65, etc.

Baker does not appear to expressly disclose operating the computer to calculate an expected annual return for the fund based on the expected annualized return for the corresponding sector, the expected range of returns for the corresponding sector, and at least one adjustment factor specific to the fund.

Kolb teaches operating the computer to calculate an expected annual return for the fund based on the expected annualized return for the corresponding sector, the expected range of returns for the corresponding sector, and at least one adjustment factor specific to the fund in, for example, pages 122-126.

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify Baker with the teachings of Kolb for the benefit of predicting expected returns and risk of investment vehicles.

**Regarding claim 8** and the limitation wherein said at least one adjustment factor includes an annual return adjustment factor equal to the difference between the annualized returns for the fund and a median return for other funds in the sector see for example, Baker Col. 5 lines 60-65.

**Regarding claim 9** and the limitation wherein said at least one adjustment factor includes a factor for the extent to which the funds returns are below the median for that sector for a time period see for example, Baker Col. 5 lines 60-65.

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**Regarding claim 10** and the limitation wherein, in the step of calculating expected annual returns for the fund, an adjustment for qualitative factors is made see for example, Baker Col. 5 lines 60-65.

**Regarding claim 11** and the limitation, wherein said step of calculating an expected annual return comprises the steps of calculating a low, and a high expected annual return see for example, Baker Col. 16 lines 20-45.

**Regarding claim 23** and the limitation wherein the expected return over the time period is an expected median return see for example, Baker Col. 5 lines 45-50.

**Regarding claim 24** and the limitation wherein:

the sector is one of U.S. large capitalization funds, U.S. small capitalization funds and European large capitalization funds;

the expected return over a time period for the sector is calculated based on an annualization of a current value of an index for the sector and a futures price for the sector;

the expected range of future returns for the sector is calculated based on the prices of options for the futures and a option pricing model which is based on a current exercise prices of the options, a risk-free interest rate, current call prices for the options, and times until expirations of the options; and

the at least one adjustment factor specific to the fund is a negative variability which is a percentage factor equal to an extent to which returns for the fund are below a median return for a period of time see for example, Baker Col. 14, line 1 through Col. 16, lines 65.

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**Regarding claim 25** and the limitation, wherein the period of time for determining the negative variability is divided into selected periods, and a difference between the returns for the fund and the median return are calculated for each period see for example, Kolb pages 122-126 wherein the Black Scholes equation discloses such.

**Regarding claim 26** and the limitation, wherein

said at least one adjustment factor includes an annual return adjustment factor equal to the difference between the annualized returns for the fund and a median return for other funds in the sector, and a factor for the extent to which the funds returns are below the median for that sector for a time period;

in the step of calculating expected annual returns for the fund, an adjustment for qualitative factors is made;

said step of calculating an expected annual return comprises the steps of calculating a low, and a high expected annual return;

the expected return over the time period is an expected median return;

the sector is one of U.S. large capitalization funds, U.S. small capitalization funds and European large capitalization funds;

the expected return over a time period for the sector is calculated based on an annualization of a current value of an index for the sector and a futures price for the sector;

the expected range of future returns for the sector is calculated based on the prices of options for the futures and a option pricing model which is based on a current exercise

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prices of the options, a risk-free interest rate, current call prices for the options, and times until expirations of the options;

the at least one adjustment factor specific to the fund is a negative variability which is a percentage factor equal to an extent to which returns for the fund are below a median return for a period of time; and

the period of time for determining the negative variability is divided into selected periods, and a difference between the returns for the fund and the median return are calculated for each period see for example, the rejection of corresponding parts above.

**6. Claims 7-11 and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Admitted Prior Art (APA) in view of Official Notice for the reasons set forth in section 17 of the previous Office action mailed 4/16/2009, which in turn refers to the reasons set forth in section 9 of the previous office action mailed 6/9/2008.**

See the discussion of this topic in section 3 above.

### ***Conclusion***

7. The prior art of record and not relied upon is considered pertinent to applicant's disclosure as disclosing the state of the art in predictive statistics and the application thereof.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL L. GREENE JR. whose telephone number is (571)272-6876. The examiner can normally be reached on Mon-Thur.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

9. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/D. L. G./  
Examiner, Art Unit 3694  
2010-03-13

/James P Trammell/  
Supervisory Patent Examiner, Art Unit 3694